



2016-17

Conflict of Interest Policy

And

Annual Statement

For Executive Board Members, Officers and

Members of a Committee with AIA Executive Board Delegated Powers

Article I --Purpose

1. The purpose of this Board conflict of interest policy is to protect AIA's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an Executive Board member, officer, key employee or volunteer of AIA or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Article II – Definitions

1. **Interested person** – Any Executive Board member, officer, or member of a committee with Executive Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial interest** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which AIA has a transaction or arrangement,
 - b. A compensation arrangement with AIA or with any entity or individual with which AIA has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AIA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Board decides that a conflict of interest exists, in accordance with this policy.

Article III -- Procedures

1. **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Executive Board.
2. **Recusal of Self** – Any individual may recuse himself or herself at any time from involvement in any decision or discussion in which the individual believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
3. **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Executive Board/Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Executive Board/Committee members shall decide if a conflict of interest exists.
4. **Procedures for Addressing the Conflict of Interest**
 - a. An interested person may make a presentation at the Executive Board/Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. After exercising due diligence, the Executive Board shall determine whether AIA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- c. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Executive Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in AIA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy

- a. If the Executive Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

Article IV -- Records of Proceedings

The minutes of the Board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Executive Board and/or Committees decision as to whether a conflict of interest in fact existed
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Compensation

- a. A voting member of the Executive Board who receives compensation, directly or indirectly, from AIA for services is precluded from voting on matters pertaining to that member's compensation.
- b. No voting member of the Executive Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AIA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

1. Each Executive Board member, officer and member of a committee with Executive Board delegated powers shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy,
 - b. Has read and understands the policy,

- c. Has agreed to comply with the policy, and
 - d. Understands AIA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- 2. Each voting member of the Executive Board and/ or Committee shall annually sign a statement which declares whether such person is an independent member.
- 3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
- 4. The Executive Board Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII – Periodic Reviews

To ensure AIA operates in a manner consistent with nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to AIA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further nonprofit purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Article VIII – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, AIA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.



Executive Board, Officer and Committee Member

Annual Conflict of Interest Statement

1. Name: _____ Date: _____

2. Position:

I am a voting AIA Executive Board Member. Yes No

I am an Officer of the AIA. Yes No

If you are an Officer, which Officer position do you hold: _____

I am a member of an AIA Committee. Yes No

I am an AIA Committee Chair. Yes No

3. I affirm the following:

I have received a copy of the AIA Conflict of Interest Policy. _____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I understand that AIA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with AIA? Yes No

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with AIA? Yes No

i. If yes, please describe it, including when (approximately):

ii. _____
If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

Signature: _____

Date: _____